



EXHIBIT 3
DATE 1/15/09
HB 33

2009 Legislative Session
House State Administration
January 15, 2009

Kim Flatow, Member Services Bureau Chief
Montana Public Employee Retirement Administration

HB 33

Testimony before the House State Administration Committee
in Support of House Bill 33

Kim Flatow, Member Services Bureau Chief
for the Montana Public Employees' Retirement Board
January 15, 2009

The Public Employees' Retirement Board supports HB 33. While, the Public Employees' Retirement Board recognizes that the change to statute increases the actuarial accrued liability of the Firefighters Unified Retirement System (FURS) by 0.2%, the matter of equity for the future retirement benefit for the FURS members is their focus.

Currently, the Montana Public Employee Retirement Administration (MPERA) administers seven public pension plans and the Volunteer Firefighters Compensation Act, most of the pension plans have overtime included in the calculation of the Highest Average Compensation of HAC. When a FURS member retires, their monthly benefit is based upon the following formula:

$$\text{Years of service} \times \text{HAC} \times 2.5\% = \text{Monthly retirement benefit..}$$

FURS members may work side by side with other pension systems members who also accrue overtime but the overtime a member of the Public Employees' Retirement System, Highway Patrol Officers Retirement System or the Sheriffs' Retirement System accrues, does count towards the calculation of their HAC.

The Public Employees' Retirement Board urges your favorable consideration of HB 33.

I will gladly answer any questions you have concerning this legislation. Thank you.